

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE: )  
 )  
EASTERN LIVESTOCK CO., LLC, ) Case No. 10-93904-BHL-11  
 )  
Debtor. )

**OBJECTION TO EASTERN TRUSTEE'S MOTION TO TRANSFER  
FUNDS AND NOTICE OF RELEASE OF PROCEEDS FROM ACCOUNT**

Kathryn L. Pry, Chapter 7 Trustee of the Bankruptcy Estate of Thomas P. Gibson and Patsy M. Gibson, Case No. 10-93867-BHL-7A (the "Gibson Trustee"), by counsel, for her *Objection to Eastern Trustee's Motion to Transfer Funds and Notice of Release of Proceeds from Account* (this "Objection"), states as follows:

1. The Gibson Trustee was appointed on December 1, 2010 (the "Gibson Petition Date") and continues to investigate and identify assets of Thomas P. Gibson and Patsy M. Gibson (the "Gibsons").
2. On May 23, 2011, James M. Knauer, Chapter 11 Trustee (the "Eastern Trustee") in the above-captioned Bankruptcy Case, filed his *Purchase Money Claims Report, Motion to Transfer Funds and Notice of Release of Proceeds from Account* (the "Funds Transfer Motion") [Docket No. 501], requesting that the Court disallow Disputed Purchase Money Claims as secured claims against the Cattle Sales Proceeds and authorize the Eastern Trustee to transfer approximately \$7,000,000.00 in Cattle Sale Proceeds to the Eastern Trustee's general operating account for use as cash collateral of Fifth Third Bank.
3. The Gibson Trustee is currently investigating her rights to claim ownership in the Cattle Sales Proceeds and has obtained from this Court an extension of time to file her Purchase

Money Claims beyond the original bar date set by the Eastern Trustee. The current deadline for the Gibson Trustee to file her Purchase Money Claims is August 1, 2011.

4. The Gibson Trustee is diligently pursuing discovery in this proceeding, and in the Gibson proceeding, to determine the nature and extent of her Purchase Money Claims.

5. On June 7, 2011, the Gibson Trustee's counsel received a summary of the personal financial records for the calendar year of 2010 for the Gibsons (the "Financial Summary"), prepared by Development Specialists, Inc. ("DSI"). On June 15, 2011, counsel for the Gibson Trustee met with Elizabeth M. Lynch of DSI, in order to obtain further explanation of the Financial Summary and to further review personal financial records of the Gibsons.

6. The Gibson Trustee requested the extension of the deadline to file Purchase Money Claims in order to allow her sufficient time to continue her investigation as to whether any of the Cattle Sales Proceeds were from cattle owned by the Gibsons. The deadline for the Gibson Trustee to file Purchase Money Claims has not passed and therefore the Funds Transfer Motion is premature.

7. Accordingly, the Gibson Trustee respectfully requests that the Funds Transfer Motion be denied and that no funds be transferred out of the Eastern Trustee's Holding Account into the Operating Account without specific authorization from the Court and only after a complete determination of the rights and obligations of all creditors and other interested parties in this Bankruptcy Case.

WHEREFORE, the Gibson Trustee respectfully requests that the Court enter an Order denying the Funds Transfer Motion, and for all other just and proper relief.

Respectfully submitted,

DALE & EKE, P.C.

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### **CERTIFICATE OF SERVICE**

I hereby certify that on June 17, 2011, a copy of the foregoing *Objection to Eastern Trustee's Motion to Transfer Funds and Notice of Release of Proceeds from Account* was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on June 17, 2011, a copy of the foregoing *Objection to Eastern Trustee's Motion to Transfer Funds and Notice of Release of Proceeds from Account* was mailed by first-class U.S. Mail, postage prepaid, and properly addressed to the following:

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